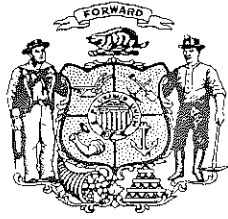


# STATE OF WISCONSIN

SENATE CHAIR  
**MARK MILLER**

317 East, State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-9170



ASSEMBLY CHAIR  
**MARK POCAN**

309 East, State Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: (608) 266-8570

## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Alberta Darling  
Representative Robin Vos

Date: January 3, 2011

Re: DHS Report to JFC

Attached is a report on BadgerCare Plus Basic from the Department of Health Services, pursuant to s. 49.67, Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV;jm



State of Wisconsin  
Department of Health Services

Jim Doyle, Governor  
Karen E. Timberlake, Secretary

RECEIVED  
JAN 03 2011

BY: J. Finance

December 29, 2010

The Honorable Mark Miller, Co-Chair  
Joint Committee on Finance  
317 East, State Capitol  
Madison, WI 53702

The Honorable Mark Pocan, Co-Chair  
Joint Committee on Finance  
309 East, State Capitol  
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

I am writing to report that, after six months in operation, BadgerCare Plus Basic is financially solvent and successfully meeting the health care needs of 5,066 Wisconsin residents.

This letter and the attached statistics fulfill the Department's legislative reporting requirements for Basic under section 49.67 of the Wisconsin Statutes.

With the successful launch of BadgerCare Plus Basic on July 1, 2010, uninsured Wisconsin residents gained another option for health care access. Basic was created to provide an affordable coverage choice to those on the waitlist for the BadgerCare Plus Core Plan. Core enrollment was capped in October 2009 due to limited federal funding. The Core wait list was established at that time.

For \$130 per month, Basic provides access to ten doctor's visits per year, a comprehensive generic drug benefit, one inpatient hospital stay and five outpatient hospital procedures before a hospital deductible is applied. Other professional medical services are also covered. Though the plan's benefits are very limited, Basic provides protection and peace of mind for those who have no other access to health insurance. Basic is self-funded, and state taxpayers pay nothing to support the program.

Per the specific reporting requirements identified in s.49.67(9g), claims payments for Basic totaled \$3,203,769 through December 13, 2010. Premium revenue totaling \$3,451,680 had been collected as of the same date. Additional reserve revenue of \$1 million remains available to support Basic through the federal State Health Access Program (SHAP) grant administered by the Health Resource Services Administration (HRSA). In short, BadgerCare Plus Basic is solvent after its first six months of operation.

In August, DHS notified members already enrolled in Basic of opportunities to pay premiums in advance at a discounted rate. Advance payments reduce adverse selection by increasing member longevity in the plan. Beginning with the October 2010 benefit month, Basic members have options

to pay a \$360 quarterly premium, a \$660 semi-annual premium or a \$1,200 annual premium. More than 1,200 existing members have opted to make an advance premium payment.

No changes to premiums or provider payment rates have been implemented since the program began on July 1, 2010. Effective January 1, 2011, Basic benefits and cost-sharing are being adjusted as follows:

- Co-payments for brand name prescriptions are increasing from \$5 to \$10.
- Radiology co-payments, tiered at \$5 and \$20, will be implemented.
- Vaccination co-payments of \$10 will be implemented.
- Covered emergency room visits will be reduced from five to two per enrollment year.

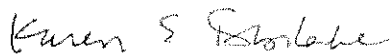
As of December 14, 5,066 people were enrolled in BadgerCare Plus Basic. Member demographic information, including age, gender and county of residence, is attached. Enrolling in Basic requires beginning an application for the BadgerCare Plus Core Plan online at [access.wi.gov](http://access.wi.gov) or by phone. That process involves reporting income and insurance information to determine if the applicant is eligible to be added to the Core waitlist. Since enrollment for Basic began, 876 Basic applicants were determined ineligible at the point of applying for the Core waitlist.

Once individuals have enrolled, the Basic verification process uses a variety of wage, income and insurance databases to verify the information members have reported. Disparities trigger DHS follow-up and potential disenrollment. As of September 15, DHS had determined 91 individuals ineligible for Basic due to other insurance.

In July, the Centers for Medicare and Medicaid Services (CMS) approved the Department's amendment to the Core Plan waiver to create a waitlist bypass into Core for Basic members based on medical severity. This policy allows Basic members to be tracked into a benefit more appropriate to their health care needs. The initial medical criterion for this policy was a cancer diagnosis. This month, the Department expanded the criteria to include severe cardiac conditions. More than 100 Basic members have transitioned to Core as a result of these policies. Other Basic members are being transitioned to Well Woman Medicaid and SSI Medicaid, as appropriate.

In its second quarter of operation, BadgerCare Plus Basic continues to be an important and successful link to health care for thousands of Wisconsin residents.

Sincerely,



Karen E. Timberlake  
Secretary

Attachment

BC+ Basic Members by County		BC+ Basic Members by Gender		
County	Members	Female	Male	Total
ADAMS	37	2730	2336	5066
ASHLAND	23			
BARRON	55			
BAYFIELD	26			
BROWN	174			
BUFFALO	16			
BURNETT	37			
CALUMET	22			
CHIPPEWA	52			
CLARK	37			
COLUMBIA	65			
CRAWFORD	18			
DANE	333			
DODGE	74			
DOOR	46			
DOUGLAS	24			
DUNN	39			
EAU CLAIRE	68			
FLORENCE	12			
FOND DU LAC	80			
FOREST	15			
GRANT	51			
GREEN	26			
GREEN LAKE	18			
IOWA	24			
IRON	16			
JACKSON	17			
JEFFERSON	87			
JUNEAU	50			
KENOSHA	185			
KEWAUNEE	16			
LA CROSSE	69			
LAFAYETTE	26			
LANGLADE	42			
LINCOLN	32			
MANITOWOC	86			
MARATHON	90			
MARINETTE	65			
MARQUETTE	30			
MILWAUKEE	874			
MONROE	30			
OCONTO	59			
ONEIDA	46			
OUTAGAMIE	123			
OZAUKEE	58			
PEPIN	07			
PIERCE	25			
POLK	60			
PORTAGE	66			
PRICE	25			
RACINE	166			
RICHLAND	12			
ROCK	131			
RUSK	14			
ST. CROIX	53			
SAUK	60			
SAWYER	23			
SHAWANO	41			
SHEBOYGAN	96			
TAYLOR	32			
TREMPEALEAU	19			
VERNON	40			
VILAS	49			
WALWORTH	121			
WASHBURN	25			
WASHINGTON	112			
WAUKESHA	275			
WAUPACA	42			
WAUSHARA	33			
WINNEBAGO	84			
WOOD	76			
MENOMINEE	02			
RED CLIFF T1	01			
POTAWATOMI T1	02			
LAC DU FLAMBEAU T1	01			
<b>Total</b>	<b>5066</b>			

BC+ Basic Members by Income (as a % of Federal Poverty)			
FPL % Range	Household Size 1	Household Size 2	Total
No Income	1808	108	1916
0% to 9.99% FPL	31	3	34
10% to 19.99% FPL	37	3	40
20% to 29.99% FPL	63	5	68
30% to 39.99% FPL	79	7	86
40% to 49.99% FPL	83	6	89
50% to 59.99% FPL	97	6	103
60% to 69.99% FPL	139	10	149
70% to 79.99% FPL	147	8	155
80% to 89.99% FPL	195	5	200
90% to 99.99% FPL	174	16	190
100% to 109.99% FPL	156	13	169
110% to 119.99% FPL	203	18	221
120% to 129.99% FPL	186	17	203
130% to 139.99% FPL	189	12	201
140% to 149.99% FPL	200	9	209
150% to 159.99% FPL	197	11	208
160% to 169.99% FPL	246	10	256
170% to 179.99% FPL	265	15	280
180% to 189.99% FPL	133	13	146
190% to 199.99% FPL	127	16	143
<b>Total</b>	<b>4755</b>	<b>311</b>	<b>5066</b>

BC+ Basic Members by Age	
Age	Count
Up to 30	908
31 to 40	468
41 to 50	1081
51 to 60	1912
61 to 64	697
<b>Total</b>	<b>5066</b>